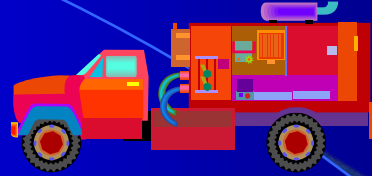


YOUR PROPERTY TAXES & YOU

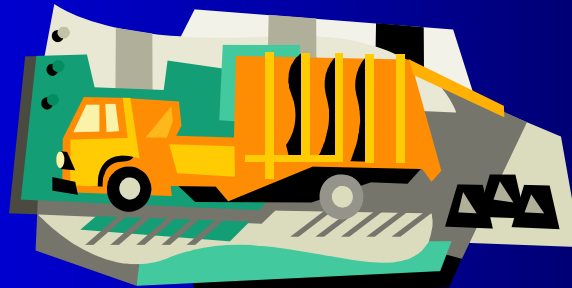
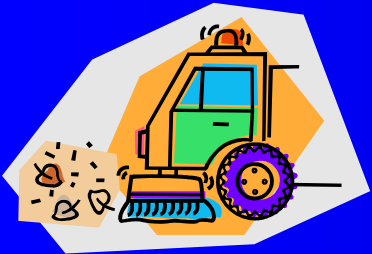


Presented by: Chicopee Board of Assessors
Virginia Robak • Laura McCarthy • Stanley Iwanicki

YOUR PROPERTY TAX



The property tax is part of a well-balanced revenue system. Properties are assessed so that the city can provide police and fire protection, road and sidewalk programs, schools, libraries, trash pickup, and other public benefits. Each taxpayer absorbs their fair share of the cost of these services in proportion to the value of their individual property.



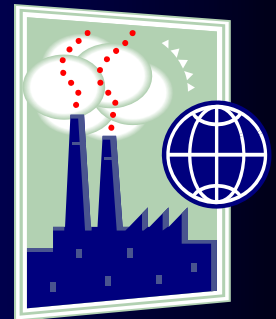
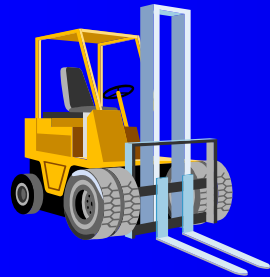
The **ASSESSMENT** is the value of property to be used for local taxation, as determined by the Assessors and according to Massachusetts laws and regulations established by the Commissioner of Revenue.

CHICOPEE ASSESSORS ARE ELECTED AND TAKE AN OATH OF OFFICE



*"to truly and impartially....
assess and apportion"*

The Assessors are required by law to **IDENTIFY, CLASSIFY, & VALUE** all taxable property



Valuation in Massachusetts is based on “full and fair cash value”, the amount a willing buyer would pay a willing seller on the open market.

THE ASSESSORS MAINTAIN A DATABASE

Properties are inspected to record the specific features of land and buildings that contribute to the parcel value. Size, style, quality of construction, number of baths, type of heating system, finished living area, etc. are examples of the data listed on the property record card before the valuation process can begin.

Chicopee has approximately 19,000 parcels.

Assessors use special computer software as a tool to develop and maintain a database of the real estate and business personal property values and to assist with the numerous calculations and specialized reporting required in their work.

ASSESSORS CLASSIFY PROPERTY ACCORDING TO USE

- Residential Property
- Open Space
- Commercial Property
- Industrial Property
- Personal Property

ASSESSORS ANALYZE TRENDS & CHANGES IN THE MARKET

Finding the ‘full & fair cash value’ of real estate property involves:

- Discovering what similar properties are selling for
- What financial factors may be affecting the real estate market
- What is today’s replacement cost of the property
- Commercial and industrial properties include analysis from the investment point of view. The purchase price is dependent in part on the return the buyer expects to receive
- Certain properties are exempt from taxation (churches, educational institutions, city owned property, etc). They are, however, subject to valuation.

The Rise & Fall of the Real Estate Market



Impacts the Property Values

WHAT THE ASSESSORS DO NOT DO

Assessors do not make the laws that affect property owners

Tax laws are enacted by the Massachusetts Legislature.

Guidelines and regulations are established by the Dept of Revenue

Assessors do not create value

Their legal responsibility is to discover and reflect the changes that are occurring in the marketplace

Assessors do not determine taxes

The level of taxation is determined by the budget needs of the city through the Mayor and City Council.

Assessors do not decide who is entitled to relief on their property tax bills through exemptions

They simply follow the state laws governing these exemptions.

PROPOSITION 2 ½

Proposition 2½" is Massachusetts' version of a property tax limitation law. The law was enacted through initiative petition in 1980. It limits annual increases in the total proposed levy to 2.5%, plus taxes from new growth. The levy limit provisions of Proposition 2½ affect the total amount of taxes to be raised by a city or town.

Proposition 2½ does not apply to an individual tax bill.

The Mayor and City Council adopt a budget that specifies the funds to be raised through the levy and the additional funds from other sources such as state and local receipts from fees and user charges.

THE TAX RATE

When the Assessors have determined the current total valuation of all taxable property and the Mayor and City Council have determined the amount to come from the tax levy, the Assessors prepare a document that shows how much of the value and how much of the proposed levy would come from the different classes of property.

The City Council determines the percentage of levy on each class of property which then determines the “split tax rate”.

The term “split tax rate” refers to having two tax rates that shift some of the burden from the Residential to Commercial, Industrial and Personal Property classes (CIP).

Under the single tax rate system, if residential & open space assessments are 75% of the total value, then 75% of the tax levy would come from the Residential class and 25% would come from (CIP).

A “split tax rate” allows the city to increase the levy share raised from the CIP by as much as 50% in order to reduce the tax burden on the Residential class

ASSESSING METHODOLOGY

VALUATION is based on "Full and fair cash value," the amount a willing buyer would pay a willing seller on the open market. The Assessors determine the value of property by choosing the assessing methodology that most accurately reflects the real estate marketplace:

1. Market Approach - Compares your property to others that have sold recently and are determined to be "Arms Length," open market sales. The assessors must analyze each sale carefully. Other important valuation considerations are location, size, condition, quality, and time of sale.

2. Cost Approach - This approach is based on the cost of replacing your property new. It is how much money it would take, at current material and labor costs, to replace the property with one similar. If the property is not new, the assessors must determine how much it has depreciated and to also establish the value of the land as if it were vacant.

3. Income Approach - The income approach to value is the process of converting anticipated net income into an estimate of value. The income approach is used to value property which is normally bought and sold on the basis of its income producing capabilities, for example: apartment buildings, office buildings, shopping centers, industrial buildings, etc.

ABATEMENT.....

REDUCTION

**of Property Tax based upon a
Reduction in the Assessed Value of Taxable Property**

Abatement may be granted for the following reasons:

- Overvaluation
- Disproportionate Assessment
- Improper Classification
- Statutory Exemption

ABATEMENTS & APPEALS

- ★ You are appealing your assessment, not your taxes. Therefore, you must pay your taxes pending your appeal
- ★ A taxpayer must apply for an abatement for each fiscal year in which there is a dispute. An application cannot be filed on taxes from previous years.
- ★ If the application is not filed by the due date, you lose all rights to an abatement. The deadline date is clearly printed on the tax bill.
- ★ The deadline cannot be waived or extended for any reason

APPELLATE TAX BOARD

- ✦ If the taxpayer disagrees with the decision of the Board of Assessors to deny an abatement, or is dissatisfied with the amount of the abatement granted, the taxpayer has the right to appeal to the state's Appellate tax Board (ATB) within a certain time period.
- ✦ Applications and information are available from:
ATB, 100 Cambridge St., Boston, MA 02114 (617) 727-3100
- ✦ The ATB cannot change the assessed value for any other reason such as inability to pay
- ✦ The ATB has no jurisdiction or control over taxes or the tax rate

THE TAX BILL

The tax bill represents one-half of the full year's tax.

Payment is due within 30 days of the bill date (not the postmark). On the 31st day, interest will begin to accrue at 14%, retroactive to the bill date.

Overvalue appeals are due within 30 days of the bill date & clearly printed on the tax bill.

Exemption applications are due within 3 months of the bill date. If your application for exemption has already been processed, half the exemption amount will be shown as a credit to your tax bill.

Past-due water and sewer charges are "liened" against the property and are shown on this bill. The outstanding balances accrue at an interest rate of 14%.

IF YOU DID NOT RECEIVE A TAX BILL...

Your payment is due on time whether you received the tax bill or not.

You may request a duplicate bill from the Tax Collector's Office

TAX ASSISTANCE

Massachusetts General Laws provide for a reduction of the tax for property owned and occupied by individuals who meet certain exemption qualifications. Exemptions are not automatic.

Each applicant must apply and qualify each year.

The qualifying date is July 1 of the fiscal year.

Information given to the Board of Assessors must be certified with the signature of the applicant *under the penalties of perjury*.

Filing an application does not mean you can postpone the payment of your tax bill.

TAX ASSISTANCE PROGRAMS

- **STATUTORY EXEMPTION**
- **“TAX-ADE” PROGRAM**
- **DEFERRAL OF TAX PAYMENT**
- **ECONOMIC DEVELOPMENT
INCENTIVE PROGRAM**
- **SENIOR WORK-OFF PROGRAM**

STATUTORY EXEMPTION

GRANTED TO QUALIFYING TAXPAYERS

- **BLIND**
- **ELDERLY**
- **SURVIVING SPOUSE**
- **VETERAN W/ WAR DISABILITY**
- **EXTREME HARDSHIP**

**Exemptions are not automatic. Each applicant must apply & qualify each year.
The qualifying date is July 1 of the fiscal year**

“TAX-ADE” PROGRAM

- Assist Disabled or Elderly
- Funded through voluntary contributions of taxpayers
- Income & asset guidelines
- Recipient(s) chosen by Committee

TAX DEFERRAL

- **DEFER** payment of annual property tax
- **LIEN** on property
- **INTEREST** accrues at 8%
- **TOTAL** of deferred taxes and accrued interest may not exceed 50% of the fair cash value of property
- **PAYMENT** after owner passes on



EXCISE TAX

All Massachusetts residents who own and register a motor vehicle must pay the motor vehicle excise annually. The city or town where the vehicle is principally garaged levies the excise and the revenues become part of the general funds of the municipality.

The excise is based on information furnished on registration of the motor vehicle. Any correction of name, model, registration number, make or year of manufacture must be recorded with the Registry of Motor Vehicles.

To change the mail address for a motor vehicle excise, contact the RMV:

By phone: 1-800-858-3926

Online: www.state.ma.us/rmv

The excise tax law (M.G.L. Chapter 60A, §1) establishes its own formula for valuation for state tax purposes whereby only the manufacturer's list price and the age of the motor vehicle are considered. Different sources provide the valuation figures depending upon whether the motor vehicle is an automobile, a truck, a motorcycle, or a trailer.


Brand new car released before model year.....	50%
In the designated year of manufacture.....	.90%
In the second year.....	60%
In the third year.....	40%
In the fourth year	25%
In the fifth and succeeding years.....	10%



The formula is as follows:

$$\text{Value of Motor Vehicle} \div \$1000 \times \$25 = \text{Excise Amount}$$





I don't own this
car anymore

EXCISE TAX ABATEMENT

DO NOT IGNORE AN EXCISE BILL
FOR A VEHICLE YOU NO LONGER OWN

Abatements should be filed for the following reasons:

- ❖ Vehicle overvaluation
- ❖ Vehicle is stolen
- ❖ Sale of vehicle with proof of cancellation of registration
- ❖ Transfer of license plates to another vehicle with proof of transfer
- ❖ Owner moved, registered vehicle in another state, or cancelled registration in Massachusetts
- ❖ Subsequent registration of the same vehicle in the same year by the same person

WE ARE ON-LINE:



Assessors Home Page:

www.chicopeema.gov/assessors

Assessors On-line Database:

<http://chicopee.univers-clt.com>